

[Sri R. Venkataraman]

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agreement with a British-American Consortium for the study of the sites for the fifth steel plant in the public sector. The Consortium was requested to examine, *inter alia*, the project report already prepared for the Neyveli-Salem Steel Project while considering possible sites for the fifth steel plant in the public sector. The Consortium has since submitted its report to the Government of India and the State Government have requested for a copy of the report. In the meanwhile, the Japan Consulting Institute have notified their willingness to take up this project and have proposed to send out a survey team to India for an "on the spot" study of the Neyveli-Salem Steel Project. The Government of India have also invited the team to come to India and the team's arrival is awaited.

## V.—ANNOUNCEMENT.

## PANEL OF CHAIRMEN.

MR. SPEAKER: I have to announce to the House that under Rule 14 (1) of the Madras Legislative Assembly Rules, I have nominated the following six Members of the Assembly to be the Panel of Chairmen for the present sitting of the Legislative Assembly:—

- (1) Sri S. Nanjunda Row
- (2) Sri KR. RM. Kariamianicka Ambalan
- (3) Sri V. Sankaran
- (4) Sri K. Narayanaswami Pillai.
- (5) Sri M. Shanmugam.
- (6) Scimathi P. K. R. Lakshminantham

## VI. GOVERNMENT BILL

## THE MADURAI UNIVERSITY BILL, 1965

THE HON. SRI M. BHAKTAVATSALAM: Mr. Speaker, Sir, I move for leave to introduce the Madurai University Bill, 1965.

MR. SPEAKER: The question is—

“That leave be granted for the introduction of the Madurai University Bill, 1965”.

The motion was put and carried and leave was granted.

THE HON. SRI M. BHAKTAVATSALAM: Sir, I introduce the Bill.

MR. SPEAKER: The Bill is introduced.

VII.—DRAFT OUTLINE OF THE FOURTH FIVE-YEAR PLAN—  
PRESENTATION

THE HON. SRI M. BHAKTAVATSALAM: Mr. Speaker, Sir, a document setting out in outline our proposals for the Fourth Plan has been placed on the Table of the House. Working groups

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constituted by Government have studied the proposals to be included in the State's Fourth Five-Year Plan for well over a year now and these studies and proposals have formed the basis for the Plan in outline now placed before the House. The Plan as drawn up by us also keeps in view the targets and objectives of the National Plan and seeks to assist in their fulfilment. I have no doubt that the discussion and debate which the publication of this document at this stage will provoke, will serve to highlight the objectives of the Plan and enlist people's participation in their fulfilment.

It is 75 years since the country set out on its course of planned development. Even during our struggle for freedom, our leaders had recognized that political independence will have content and meaning only to the extent that it paved the way for rapid economic development. We also realised that an under-developed country such as ours, with its low productivity, low levels of consumption and low savings potential could hope to make up for all the retarded growth of past decades only through economic planning. Planning is a continuous process and should keep a long-time horizon in view. But within such a perspective, each Five-year Plan marks a distinct milestone in our long and arduous journey towards our goal of a self-sustaining and self-generating economy and a new social order, in which, as our Constitution proclaims, justice—social, economic and political—shall inform all the institution of our national life. Our Plans have thus economic as well as social objectives. While seeking to achieve appreciable increases in national income through our economic Plans, we are endeavouring to ensure at the same time that the benefits of economic development accrue more and more to the relatively less privileged sections of society. What is more important, these two objectives of economic progress and social justice are to be achieved within the framework of a democratic society. We do not, and within the framework of our democratic Constitution cannot, employ straight-jacket methods adopted elsewhere for enforcing restraints on consumption or stimulating production, but have to rely largely on persuasion and incentives for achieving the objectives of the Plan. We have to educate the people on the objectives of the Plan and thus secure their enlightened co-operation. I have no doubt that the debate and discussions in this House will promote such an understanding among the people and harness their energies and enthusiasm for the successful implementation of the Plan.

Our Plans cover three sectors—Central, State and private. In the Central sector of the Plan are the major industrial projects such as installation of new steel plants, heavy machinery plants, heavy electricals, fertilizer factories and oil refineries which by their very magnitude can be planned and executed only on a national basis. The State sector comprises such important heads of development as Agriculture, Power, Irrigation and Social Services like Education and Health. The private sector also accounts for a very significant portion of the total investment contemplated in



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the Plan. Investments by the private sector in organized industries like textiles, cement and sugar and also agriculture and house building are typical examples. The draft outline, now before the House, deals largely with the outlays and programmes in the State Plan, though significant developments anticipated in Central and private sectors also are referred to because the Plan for the development of the State comprehends the programmes undertaken in all the three sectors.

This State has a creditable record in the implementation of the Plan and in the achievement of the targets and objectives of the Plan in physical as well as in financial terms. In the fifteen years of planned development, the agricultural and industrial base of the State has been considerably strengthened and a strong technical and administrative apparatus has been built up which is capable of meeting the challenge posed by a bigger Plan. Though the Third Plan originally provided for an outlay of only Rs. 291 crores, on current trends it is anticipated that the final outlay may be of the order of Rs. 340 crores. I would like to stress here that we have been able to fulfil this Plan without any increase in Central assistance. It is because of our earnest efforts at mobilising resources for the Plan and enforcing the utmost economy possible in non-Plan and non-developmental expenditure, that we were able to fulfil a bigger Plan than we had originally embarked upon. It should be our endeavour in the Fourth Plan to make full use of the organization we have built up in several fields such as agricultural production, power development and reach out towards higher targets and thus bring about a significant improvement in the standards of living of our people. The progress in the Third Plan has been satisfactory also in terms of achievement of physical targets. The physical targets under Power, Minor Irrigation, General and Technical Education, Small-Scale Industries and Roads will all be fully attained and in a measure exceeded. Even in regard to agricultural production, about which there has been keen debate and discussion, our achievements are by no means disappointing. Against a production of the order of 53 lakhs of tonnes at the commencement of the Third Plan, the actual production by the end is expected to be of the order of 65 lakhs of tonnes, representing an increase of well over 22 per cent. Even more than the actual increase already achieved, what augurs well for the future, is the increased awareness among the cultivators of the need for and their readiness to adopt improved cultural practices. Consumption of nitrogenous fertilizers, which was of the order of only 1.15 lakhs of tonnes at the commencement of the Third Plan, had increased to over 3.50 lakhs of tonnes by the end of 1964-65 and given the availability of fertilizers, can be easily raised to 4 lakhs of tonnes in the current year. High-yielding strains have been evolved and they hold out possibilities of further significant increase in average yield per acre.

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The progress which we have made in the last 15 years should set the pace for further development in the next Plan period. The general standard of living of our people, as elsewhere in India, is however still low and can be raised only through successive Plans involving large investments in Agriculture, Industry and Social Services. The comparatively high density of population in our State—669 per square mile as against only 373 for All India—only highlights further the need for a bigger Plan which will stimulate production all round and thus contribute to a measure of improvement in the conditions of living of the common man.

The Fourth Plan, as we have drawn up, is a big Plan, bigger than all the three Plans put together, and it calls for an outlay of Rs. 750 crores on Centrally-assisted schemes and Rs. 65 crores on Centrally-sponsored schemes. The implementation of the Plan is the joint responsibility of the States and the Centre. While, as our experience in the Third Plan has shown, our own efforts at mobilisation of resources are of importance in determining the size and pace of execution of Plan schemes, Central assistance will be one of the crucial determinants of the size of the Plan. Our own contribution to the Plan will also, in some measure, depend upon the award of the Finance Commission which is expected shortly. We will get a firm indication of the scale of Central assistance, only after our discussions with the Planning Commission, some time in September. The extent of external assistance will also have an important bearing on programmes in the Plan with a foreign exchange component. Thus, while the size of the Plan will be subject to adjustments in the light of further discussions with the Planning Commission, we have no doubt at all that the substance of the Plan, as now framed, can be preserved. Our experience in the Second and Third Plans has also shown that if the productive schemes such as those relating to agricultural and industrial production, irrigation and power are implemented efficiently and expeditiously, it will be easier to find additional resources and enlarge the scope of the Plan as we proceed with its implementation.

The success of the Fourth Plan, whatever be its ultimate size, will depend largely on the efficiency of our performance in the agricultural sector. It has been recognized on all hands that the difficulties which we had to face during the Third Plan period, including the difficulties caused by the continuous pressure on prices, were largely due to lags in agricultural production. Government of India and the State Governments have been engaged in the last two years in a continuous study of the factors inhibiting growth in the agricultural sector, and the steps we have taken under the Crash Programme for pushing through schemes calculated to yield quisk results in the short run such as intensification of programmes of minor irrigation, rural electrification and introduction of intensive cultivation programmes, reflect our awareness of agricultural production being the key to the success of the Plan. The highest



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priority has, therefore, been accorded in the Fourth Plan to programmes for augmenting agricultural production. It will be our objective to attempt whatever is physically and technically feasible in this sector and not let financial resources act as a constraint on development. The provisions we have made for agricultural production are substantially higher than in the Third Plan and whatever be the size of the Plan, these will be further augmented if necessary in the light of the progress of the schemes and the benefits flowing therefrom. The average yield per acre in our State is already among the highest in the country in respect of many crops. The scope for further extension of cultivation through reclamation of land or execution of major irrigation schemes is comparatively limited in our State. We have reached the limits of utilisation of our water resources and further significant expansion of irrigation will be possible only when neighbouring States agree, in national interest, to share their surplus water resources with us. Even so, we have provided in the Plan for a few medium irrigation schemes for exploitation of marginal surpluses. We have also recognized at the same time the need to improve the old irrigation systems so as to promote a more economical utilisation of water and facilitate further extension of irrigation with the water so conserved. Provision has therefore been made in the Plan for modernisation of channels in Thanjavur district and for improvements to Periyar channels. Problems of drainage in the Cauvery Delta have also to be tackled on a systematic basis in the Fourth Plan. Due to heavy run-off from north-east monsoon rains, both from outside and inside the delta, a large portion of the Cauvery Delta gets waterlogged during the period. Upland drains entering the delta have therefore to be diverted either away from the delta or taken to the sea without affecting the irrigation crops. A provision of Rs. 5 crores has been proposed in the Fourth Plan for the execution of drainage schemes in the Cauvery Delta.

We will have to turn to more intensive utilisation of sub-soil water for stepping up productivity in agriculture. This State has already made impressive progress in the utilisation of electricity for lift irrigation. By the end of the current Plan, we will have 2.35 lakhs of wells connected to power. As part of the programme for rural electrification and utilisation of power for agricultural production, all villages with a population of 5,000 and above and most of the villages with a population of 2,000 and above will have been covered by the end of the Third Plan. In the Fourth Plan, we have provided for connecting 2.50 lakhs of additional pumpsets to power and in the course of fulfilment of this programme, power will be extended to all villages. A provision of Rs. 30 crores has been made for rural electrification programme in the Fourth Plan. The provision made in the Plan for acquisition of undertakings of private licencees should, in particular, give a fillip to the progress of rural electrification in areas which have lagged behind the rest of the State.

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Apart from extension of irrigation in all directions, we will have to lay emphasis on expansion of output through application of good seed, fertilizers, green manure and adoption of modern methods of cultivation. The Fourth Plan contemplates a further big step-up in the consumption of nitrogeonous as well as phosphatic fertilizers and with a view to encourage the application of fertilizer to crops grown under rain-fed conditions, it is also proposed to introduce an element of subsidy on fertilizers applied for rain-fed crops. Our experts have made a careful study of all factors contributing to increased agricultural production and have concluded that it will be possible to step up production of foodgrains from 65 lakhs to 82 lakhs of tonnes in the Fourth Plan. This order of growth, though slightly less than the rate of growth visualised in the National Plan, will still represent a substantial increase over the base level production. The Fourth Plan also recognizes the need for accelerating the rate of growth in ancillary sectors, particularly under fisheries, through extensive mechanisation of fishing craft, improvement of fishing gear and tackle and through exploitation of deep-sea fisheries. The Plan aims at an increase of production of fish from 2.9 lakhs of tonnes to 4.7 lakhs of tonnes by 1970-71.

Although agricultural development has a crucial role in the process of economic development in this State, substantial gains in levels of living and employment opportunities can only be achieved by diversification of economic activities through rapid industrial development. The State has made rapid strides in industrial development in the last decade. But the State Government's direct investment in industrial development has not been substantial. The Government's policy has been one of stimulating the private sector, with provision of necessary economic overheads. The Fourth Plan, as now drawn up, breaks new ground in assigning a more important and direct role for the State Government in the industrial development of the State. The State Government will concentrate on development of certain medium sized basic industries producing raw materials and intermediates which could be used by other industries in the private sector. The State will also directly engage in the production of certain vital consumer goods needed for mass consumption such as yarn, sugar and cement so as to be able to influence pricing policies better. The State's Plan also assigns an important place for co-operatives in the development of these consumer industries. The outlays in the State Plan under Industries will have to be supplemented by substantial investments in the Central sector in projects such as the Oil Refinery and Neyveli-Salem Steel Plant. I would invite the attention of the members to the details of the industrial programme in Chapter 12 of the Draft Outline.

The development of agriculture as well as industries is closely linked with that of power, which has always been assigned the pride of place in our Plans. At the end of the Third Plan, the installed capacity of the Madras Grid will be 1.140 mW exclusive



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of 400 mW to be commissioned at Neyveli. Apart from providing for completion of the Anamalai Hydro-Electric Scheme, extension of Basin Bridge Power Station and Kodayar Hydro-Electric Scheme, the Fourth Plan provides for the following new schemes :—

Scheme.	Installed capacity.	Estimated cost.
(1)	(2)	(3)
		(RUPEES IN CRORES.)
Thermal Station at Ennore ..	300 mW	28.0
Thermal Station at Tuticorin ..	100 mW	11.1
Hogenekkal Hydro-Electric Scheme.	800 mW	56.0
Upper Tambaraparni .. ..	155 mW	17.8
Pandiyar-Punnappuzha .. ..	70 mW	9.2
Upper Manimuthar .. ..	95 mW	11.7
Paralayar Hydro-Electric Scheme.	20 mW	3.8
Suruliyar Hydro-Electric Scheme.	25 mW	3.2

Even with the execution of all these schemes, there will be a substantial gap between the effective capacity of our grid and the demand for power, which can be met only by further expansion of Neyveli Thermal Station and the execution of the Kalpakkam Nuclear Plant Scheme. These schemes will have to be accommodated in the Central sector of the Plan. The total outlay on power projects in the State Plan will be of the order of Rs. 217 crores, against an anticipated expenditure of Rs. 121 crores in the Third Plan and reflects adequately the continuing importance, which we attach to power development in our Plans.

While thus giving due importance to productive schemes, the Fourth Plan seeks to give a new orientation to our economic planning with the emphasis it lays on development of social services such as Education, Medical and Public Health, Water-supply, Housing and Welfare of Backward Classes. The expansion of opportunities for education at primary and secondary levels in the last decade has, to some extent, mitigated the inequalities of opportunities in our society and has opened out vistas of opportunities for betterment of the socially and economically submerged sections of our population. An outlay of nearly Rs. 80 crores proposed for expansion of education at different levels should assist in this process further and create a milieu in which the economically backward sections of our society can come into their own. The national directive of free and compulsory education will be fulfilled throughout the State by the end of the Fourth Plan. With a view to remove the few difficulties which still exist in the enrolment of pupils from poorer strata of society, it has been proposed as one of the important programmes of the Fourth Plan to supplement the free education policy with free supply of text-books and uniforms for all poor pupils in elementary schools.

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The Fourth Plan also seeks to make a significant contribution towards improvement of the basic amenities of life in rural areas in respect of communication, water-supply, medical relief and public health and thus abridge, to some extent, the present wide gap between rural and urban areas in regard to these essential amenities of life. The rural electrification programme will, as already stated, be extended to all villages by the end of the Fourth Plan. It has now been proposed as one of the important objectives of the Fourth Plan that every village should also have a source of protected water-supply or a pipe-line. We are already implementing a large programme of acquisition and assignment of house-sites in favour of Harijans, and over 1 lakh of house-sites have already been assigned in the last three Plan periods. There are still a large number of Harijans who live on private sites under constant threat of eviction. This programme has therefore to be accelerated so that all Harijans in rural areas could have sites of their own by the end of the Fourth Plan period. As part of our Plan objective of assuring certain minimum of living conditions for the poorer sections of the society, it has been proposed that, besides Harijans, all poor people, irrespective of caste or other consideration and subject only to economic criteria, should also be assured of free house-sites by the end of the Fourth Plan period. A provision of Rs. 15 crores has been made in the Plan for this programme.

The Fourth Plan may appear big in financial terms, but it is quite modest in relation to the needs of the people who, after centuries of neglect, naturally expect some improvement in their conditions of living in the new social order we are trying to forge. Overawed by temporary stresses and strains if we falter at this stage and fail to maintain the tempo of development, we will only be piling up problems for the future. The difficulties caused by large investments, not matched by sufficient savings, and consequent rise in prices are no doubt there. But these difficulties will only be further aggravated, if we set our sights low and slow down our rate of growth. Our emphasis, should, on the contrary, be on increase in production through wise and planned investment so that, out of such increased production, we may be able to sustain the improvement in standards of living which our people are keenly looking forward to. In discussions on the size of the Plan, we are apt to be pre-occupied with the financial resources for the Plan. Resources are important, but even more important is efficient and determined implementation of Plan projects. Through hard work and efficient performance in all sectors of our economy, it should be possible for us to fulfil the Plan, on the success of which the hopes of our people rest. I have no doubt that the deliberations in this House on the Plan—its size and strategy, its targets and objectives—will be followed with interest outside and will enthuse the people to give of their very best for the success of the Plan.

With these words, Sir, I commend the draft outline of our State's Fourth Plan for the consideration of this House.